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SUBJECT: MEDIA REACTION US TROOPS TO MEXICAN BORDER EU-
LATIN AMERICAN SUMMIT ARGENTINE DEPUTY KUNKEL
REJECTING STATEMENTS BY NOMINEE FOR US AMBASSADOR TO
BUENOS AIRES WAYNE US VIEW OF LATIN AMERICAN DIVISION
US-URUGUAYAN FTA ARGENTINE PRESIDENT KIRCHNER USG
CONCERN OVER THE TRI-BORDER 05/15/06;BUENOS AIRES

1. SUMMARY STATEMENT

Weekend stories include the US Pentagon drawing up plans for troops on the Mexican border; European and Latin American leaders' pledge to bolster ties in "bi-regional strategic relationship;" Argentine deputy Carlos Kunkel rejecting the statements of nominee for US ambassador to Buenos Aires, Anthony Wayne; the US view of Latin American division; a possible US-Uruguayan trade deal; Argentina's plan for Haiti; Argentine President Kirchner's style; the likelihood of an oil re-nationalization in Argentina; and the USG concern over the Tri-Border.

2. OPINION PIECES AND KEY STORIES

- "The US could send 5,000 troops to the Mexican border"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," writes (05/13) "According to the US Department of Defense, the US Pentagon could deploy more than 5,000 troops and military equipment to the US-Mexican border to help reduce the entry of hundreds of thousands of illegal immigrants per year.

"More than 12 million undocumented immigrants live in the US, most of whom come from Mexico and the rest of Latin America. However, the Departments of Homeland Security and Defense fear that the border could be porous enough to let terrorists enter. The US Defense Secretary, Donald Rumsfeld, and his Mexican

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counterpart, General Clemente Vega, have already discussed some of the problems observed on the border, which is over 3,200 kilometer long."

- "Kunkel against the US ambassador"

Daily-of-record "La Nacion" reports (05/13) "National deputy Carlos Kunkel rejected the statements of the future US ambassador to Buenos Aires, Earl Wayne, on the alleged lack of judicial security for foreign investment in Argentina. Kunkel said 'An Argentine Ambassador would never go to the US to say what domestic policy the US should have.'

"... The Kirchner deputy went further when he said that the future US ambassador 'is coming to our country as though he was a viceroy trying to tell us what we should do - returning to the '90s with the same prescriptions of the Washington consensus.'

"... In spite of his criticism, Kunkel highlighted the 'good ties' between the (Argentine) Government and the US, and he added that he expected Michael Matera... to inform the future ambassador that 'we respect the sovereignty of all countries.'"

- "How the US sees divisions in Latin America"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacion," comments (05/14) " USG officials prefer to keep their most conclusive opinions on Latin America to themselves. They know that whatever they say may feed hemispheric division, and the White House has also been the recurrent target of Hugo Chavez's tough statements.

"US Assistant Secretary for Latin American Affairs Tom Shannon maintained his low profile as regional disputes were more and more acute during latest weeks. However, the US Department of State maintained and reiterated its stance that Argentina and Brazil should play 'a more active role' with presidents Evo Morales and Hugo Chavez.

"The future Ambassador to Buenos Aires, Earl Anthony Wayne, has said that the two most powerful countries in the Southern Cone are 'very committed to democracy,' and that this is a strong basis for the promotion of stability in the hemisphere.

"For his part, former Assistant Secretary of State for

Latin America, Otto Reich, said that 'it is interesting to see how the rational and democratic left wing is differentiating itself from the radical and violent left wing.'

"... Peter De Shazo, also former USG official in charge of Latin America at the US State Department, agrees with Reich. 'What happens in Bolivia during the next weeks will be very important for the country and for its ties with Brazil, Argentina and Spain, which has huge investment initiatives in Bolivia.'"

- "Europe and the US benefit from Latin American fights"

Horacio Riggi, columnist of business-financial, center-right "InfoBae," writes (05/15) "The exhibition of (Latin American) bilateral conflicts, (like that between Argentina and Uruguay over the paper mills or the one between Bolivia and Brazil due to the nationalization of hydrocarbons) highlight the weakness of South American integration as compared with that of the EU.

"This seems normal except if one takes into account that in these times of globalization future FTAs are at stake all over the world, and this will call for a common discourse when the time comes to negotiate as a bloc.

"... What was floating in Vienna is that while South American countries are confronting each other, the G7 countries are continuing their game. In fact, the summit was a follow-up of WTO negotiations...

"The summit was 'crowded' with Mexican businessmen,

who are key allies of the US when the time comes to defend the alleged benefits of an FTA for the region."

- "Proposal to Uruguay - the US and Mercosur"

Business-financial "Ambito Financiero" (05/15)

"Uruguay could sign a trade deal (as long as it is not a free exchange of goods and services) with the US, which could enable it to increase its exports and stay within Mercosur. In this way, the Vazquez administration could be able to make progress on its relationship with the US without affecting its status within Mercosur."

"This proposal will be submitted by Argentine and Brazilian negotiators to Uruguayan government officials during the meetings that have been held in Buenos Aires since May. Foreign Minister Jorge Taiana is attempting to separate the paper mill conflict from Mercosur negotiations with a clear purpose - to prevent the July 8-9 presidential summit in Argentina from failing. Tabare Vazquez's attendance is not guaranteed and if he fails to attend it would be the first time a head of State would be missing."

- "Kirchner sees an axis with Brazil and Venezuela"

Alejandro Di Lazzaro, on special assignment in Vienna for daily-of-record "La Nacion," writes (05/14) "... Nestor Kirchner believes that Argentina, Brazil and Venezuela will be the main partners of Mercosur."

"Economic strength and foreign governments' confidence will be the main pillars. Kirchner is building on the recognition of Argentina's economic recovery he received from European leaders, the deployment and variety of Brazilian production, and the impetus oil gives to the Venezuelan economy."

"According to him, Bolivia is not reliable yet, and he is not taking Uruguay into account. Chile has to enter the gas negotiation."

- "Argentina is preparing a plan for Haiti, the poorest country in America"

Nicolas Lantos, columnist of centrist "Perfil"

newspaper, writes (05/14) "... In order to carry out his administration, Preval asked the presidents of Argentina, Chile and Brazil to prepare a plan of government. According to Foreign Ministry sources, the Argentine role would be to adapt to Haiti those social policies implemented here after the 2001 crisis."

"This plan plus a rapprochement to Cuba and Venezuela would be the base on which Preval will attempt to build his power."

- "Kirchner's challenges to foreign leaders"

Joaquin Morales Sola, political analyst of daily-of-record "La Nacion," opines (05/14) "... Kirchner's style and some latest measures of his administration have meant a noticeable slump in Argentina's international standing. The crisis with Uruguay broke unexpectedly in Europe. Javier Solana, who is in charge of the EU's foreign relations, warned Mercosur that it will be lost if it does not put aside its clashes."

"... Kirchner challenges businessmen and investors, does not honor the promises he makes to them, and, on

top of everything, he portrays them as looters of national wealth. As a result, investors leave or do not come, whether he likes it or not.

"And a problem of the Argentine president, and not a minor one, is that his name is too often associated with Chavez and Evo all over the world."

13. EDITORIALS

- "Evo Peron?"

An editorial in liberal, English-language "Buenos Aires Herald" reads (05/15) "Nothing is official yet... but there seems every reason to expect Kirchner to be following in Juan Domingo Peron's footsteps, renationalizing oil just as Peron renationalized the railways. The political reasons for such a move are obvious... but if it takes two to tango, the current Spanish Repsol owners of YPF seem only too willing to make up a pair. The Spaniards are anxious to reduce their exposure to Argentine risk and the merciless export duties but they would find it extremely difficult to find a commercial buyer because 'buying dear to sell cheap' runs against the most basic business principles and that is what any private-sector purchaser would effectively be doing - paying a fortune on the basis of today's sky-high oil prices only to sell fuel at Argentina's politicized prices...

"If indeed Kirchner makes his spectacular announcement, the next question would then be what the state intends to do with its new toy. After taking control either directly or indirectly of the privatized utilities, the state has shown a sudden interest in raising gas, power and other utility rates - would there be a similar U-turn with the politicized petrol and fuel prices in order to secure a return on investment?"

- "Tri-Border, a concern"

An editorial in conservative "La Prensa" reads (05/13) "During an address to the US Lower House International Relations Committee..., the coordinator of Affairs against Terrorism at the US Department of State, Henry A. Crumpton, clearly highlighted increasing US concern over the so-called Tri-Border...

"... The contentious Tri-Border case may contribute to creating an agreed upon security policy among the different Mercosur partners. Delays or weaknesses in implementing security measures can only contribute to increasing the potential danger posed by the lack of control in the area and protecting serious crimes against humanity."

- "The Southern Cone is divided at the Vienna Summit"

An editorial in leading "Clarín" reads (05/14) "The Southern Cone's environmental and energy issues unexpectedly invaded the Vienna summit agenda, thereby postponing the treatment of crucial issues in inter-continental ties.

"... The Argentine-Uruguayan dispute over the paper mills and the conflict between Brazil and Bolivia over the nationalization of hydrocarbons have made everyone disregard what should have been the main topic of the summit: the EU not honoring its promise to lower farm subsidies."

- "Little progress in Vienna"

Conservative "La Prensa" carries an editorial (05/14)
"During the EU-Latin American summit, Latin American
divisions... and the EU going through an identity
crisis made obvious the need for finding alternatives
to the restrictive policies marked by regional
alignment and alliances.

"... What was highlighted at the summit is that no
European country wants to renounce protectionism...
The main topics of the summit conclusions were the
need for reinforcing democracy, human rights and
multilateralism, and deals of association, energy and
education.

"Vienna deepened regional confrontations and left open
questions about what the future relationship between
Mercosur and the EU will be like."

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